

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Review of the Commission's Rules Regarding)	
the Pricing of Unbundled Network Elements)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local)	
Exchange Carriers)	

**COMMENTS
OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)¹ hereby submits its comments in response to the Federal Communications Commission's (Commission's or FCC's) Notice of Proposed Rulemaking (Notice) in the above-noted proceeding.² Specifically, NTCA wishes to respond to the Commission's request for comment on the relationship between the Section 252(d)(1) pricing standard and proposals for recovery of interconnection costs that are now under consideration in the Intercarrier Compensation proceeding.³

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 555 rural rate-of-return regulated incumbent local exchange carriers (ILECs). All of its members are full service local exchange carriers, and many members also provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). And all of NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² *In the Matter of Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*, WC Docket 03-173, FCC 03-224, September 15, 2003 (Notice.)

³ Notice, § VI, 47-8.

The Intercarrier Compensation proceeding attempts to address reform of reciprocal compensation obligations as well as interstate and intrastate access charges established under rate of return or alternative forms of regulation that do not contemplate the pricing standards of Section 252(d)(1). The pricing issues in the Intercarrier Compensation docket go beyond the Commission's review of its UNE pricing rules that prohibit rate of return rate making. For small rate of return regulated rural carriers in particular, the stakes in intercarrier compensation reform are extremely high. Consequently, it is imperative that the issues in that proceeding be thoroughly aired and considered apart from this review of UNE pricing rules.

While NTCA believes that Intercarrier Compensation issues must be examined separately, it notes that Section 252(d)(1) of the Act applies to the pricing of network elements provided under §251(c)(3). The obligations to provide reciprocal compensation and transport are contained in Section 251(b), which is not subject to 251(d)(1) pricing but to the pricing provisions and conditions in Section 251(d)(2). Also, it should be noted that intrastate access charges, which are also implicated in the Commission's Reciprocal Compensation proceeding, remain regulated in the intrastate jurisdiction under the various state laws.

In conclusion, NTCA believes that a different set of rules and laws govern the pricing of intercarrier compensation for termination, transport and access. The Commission should leave its decision on reform of these rates to the separate proceeding it has initiated in another docket.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS
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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in WC Docket No. 03-173, FCC 03-224 was served on this 16th day of December 2003 by first-class, U.S. Mail, postage prepaid, to the following persons.

/s/ Gail Malloy

Gail Malloy

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